

Message Text

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ACTION EA-14

INFO OCT-01 ADP-00 CIAE-00 DODE-00 PM-07 H-02 INR-10 L-03

NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-15 USIA-12

COME-00 EB-11 LAB-06 SIL-01 NIC-01 OMB-01 TRSE-00

RSR-01 /100 W

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R 290610Z JUN 73

FM AMCONSUL MELBOURNE

TO SECSTATE WASHDC 1677

INFO AMEMBASSY CANBERRA

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E.O. 11652: N/A

TAGS: ELAB, AS

SUBJECT: STRIKE BY FORD AUTO-ASSEMBLY PLANT WORKERS.

1. ON APRIL 30 THE FORD COMPANY, IN RESPONSE TO UNION CLAIMS FOR AN INCREASE IN OVER-AWARD PAYMENTS UP TO 45 PERCENT, A MORE LIBERAL LEAVE BONUS AND DELETION OF PENALTY CALUSES, COMMENCED NEGOTIATIONS WITH OFFICIALS OF THE FOUR UNIONS INVOLVED, THE VEHICLE BUILDERS' UNION (VBU), THE AMALGAMATED METAL WORKERS' UNION (AMWU), THE AUSTRALASIAN SOCIETY OF ENGINEERS (ASE) AND THE ELECTRICAL TRADES UNION (ETU).

2. ON MAY 18, DESPITE UNION OFFICIALS' RECOMMENDATION THAT WORKERS HOLD OFF DIRECT ACTION PENDING FURTHER NEGOTIATIONS, 4000 WORKERS AT FORD BROADMEADOWS PLANT WALKED OFF THE JOB.

3. FOLLOWING A 3 WEEKS' STRIKE, COSTING FORM A\$27 MILLION IN LOST PRODUCTION, ON JUNE 4 UNION OFFICIALS RECOMMENDED MEN ACCEPT FORD OFFER OF 5 PERCENT INCREASE IN OVER-AWARD PAYMENTS (THIS ADDED TO EARLIER INCREASE OF 17-1/2 PERCENT GAVE A 22-1/2 PERCENT INCREASE).

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THE MEETING, BY A SMALL MAJORITY, VOTED TO ACCEPT

OFFER BUT THOSE OPPOSED BECAME VIOLENT AND PUNCHES WERE THROWN AT UNION OFFICIALS. LAURIE CARMICHAEL, ASSISTANT FEDERAL SECRETARY OF AMWO AND EXECUTIVE MEMBER OF COMMUNIST PARTY OF AUSTRALIA, WAS RUSHED FROM MEETING AFTER HAVING COAT TORN BY IRATE STRIKERS.

4. ON JUNE 13 ABOUT 1500 AUTO-ASSEMBLY WORKERS OBEYED UNION DIRECTIVE AND RETURNED TO WORK. OUTSIDE THE PLANT MORE THAN 1000 STRIKERS (MANY OF THEM SOUTHERN EUROPEAN MIGRANTS) BEGAN RIOTING AND DEMANDING THAT WORKERS WHO HAD RETURNED TO WORK JOIN THEM. POLICE WERE CALLED TO CONTROL RIOTERS WHO CAUSED \$10,000 DAMAGE TO PLANT. NO UNION OFFICIALS WERE PRESENT DURING THE 6-HOUR RAMPAGE.

5. FORD CLOSED THE ASSEMBLY PLANT ON JUNE 14 TO ALLOW TIME TO CONSIDER PROTECTION FOR EMPLOYEES WHO WISHED TO WORK.

6. CARMICHAEL DECLARED ON JUNE 15 THAT HE WAS WRONG TO SUGGEST WORKERS RETURN TO WORK AND BLAMED "INHUMAN CONDITIONS" AT FORD FOR STRIKERS' VIOLENCE AND ANNOUNCED THAT AGREEMENT PREVIOUSLY REACHED WITH COMPANY WOULD HAVE TO BE RENEGOTIATED. CARMICHAEL ALSO INFORMED WORKERS OF PLAN FORMULATED LAST OCTOBER BY THE 4 UNIONS INVOLVED TO "PICK OFF" MAJOR CAR COMPANIES ONE BY ONE CONCENTRATING FIRST ON GMH.

7. A MEETING BETWEEN UNION OFFICIALS AND COMMONWEALTH ARBITRATION COMMISSION ON JUNE 18 ENDED IN A DEADLOCK.

8. ON JUNE 26 FORD PLANT AT GEELONG STARTED STANDING DOWN COMPONENT-LINE WORKERS BECAUSE OF LACK OF STORAGE SPACE FOR COMPONENTS. LABOR MINISTER CLYDE CAMERON ON SAME DAY STATED, FROM LONDON, THAT "FORD WORKERS WERE FIGHTING FOR WAGE JUSTICE AGAINST MULTI-NATIONAL CORPORATION WITH HEADQUARTERS IN NEW YORK". FORD'S INDUSTRIAL RELATIONS DIRECTOR, ERIC WITTS, RESPONDED TO CAMERON'S STATEMENT ACCUSING HIM UNCLASSIFIED

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OF IGNORANCE OF SITUATION AND ADOPTING A POSITION WHICH WOULD STRENGTHEN THE INFLUENCE OF THOSE WISHING TO SABOTAGE INDUSTRIAL RELATIONS IN AUSTRALIA. GOA INDUSTRIAL TROUBLE-SHOOTER NORM FOSTER STEPPED IN AND ARRANGED AC CONFERENCE BETWEEN FORD, THE UNIONS AND ACTING LABOR MINISTER SENATOR BISHOP.

8. AFTER 7 HOURS THE TALKS BROKE DOWN WITH SENATOR

BISHOP WITHDRAWING AND UNIONS WARNING FORD OF A TOTAL BAN. FORD REPRESENTATIVES BELIEVE THAT PREVIOUS AGREEMENT PROPERLY NEGOTIATED SHOULD BE ADHERED TO. THE VICTORIAN SECRETARY OF THE AMWU, JOHN HALFPENNY, WARNED THAT IF STRIKE CONTINUED INDEFINITELY IT WOULD BE IMPOSSIBLE FOR FORD TO OPERATE IN AUSTRALIA. LEN TOWNSEND OF THE VBU ALSO STATED THAT FORD WOULD HAVE TO RECONSIDER ITS FUTURE ROLE IN AUSTRALIA.

9. ON JUNE 28 THE VICTORIAN BRANCH OF THE WATERSIDE WORKERS' FEDERATION ANNOUNCED A BLACK BAN ON THE HANDLING OF ALL FORD VEHICLE PARTS.

10. THE UNIONS WILL PRESENT A REPORT ON THE DISPUTE TO ACTU PRESIDENT BOB HAWKE, ON HIS RETURN FROM OVERSEAS ON JULY 1.
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